Nova Scotia Annual Gaming Report 2000 - 2001

NOVA SCOTIA
Environment and Labour
Alcohol and Gaming Authority

102-07396/

The Honourable David Morse
Minister of Environment and Labour

Dear Minister:

Presented herewith is the Annual Gaming Report pursuant to Section 56 of the *Gaming Control Act* for the year ending March 31, 2001.

The 2000/2001 Annual Gaming Report covers the activities of the Alcohol and Gaming Authority relative to the gaming industry and explains its working mandate received from the Gaming Control Act- 'to regulate and control casinos and other lottery schemes; and to administer this part in the public interest and in accordance with the principles of honesty and integrity.'

Yours very truly,

Dennis W. Kerr
Executive Director
Alcohol and Gaming Authority

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ABOUT THE AUTHORITY

Mandate

The Nova Scotia Alcohol and Gaming Authority (the Authority) has the legislative responsibility to regulate and control gaming activities "in the public interest and in accordance with the principles of honesty and integrity."[1] The Authority licenses and monitors the conduct of casinos, bingos, lotteries and other games of chance (excepting harness racing, and gaming activities conducted on Native lands), to ensure that these games are carried out in the best social and economic interests of Nova Scotians. Furthermore, the Authority studies public interests and reactions to gaming in Nova Scotia, and assesses the impacts emanating from this activity.

Workforce

With its head office located in Dartmouth, and a regional office in Sydney, the Alcohol and Gaming Authority maintains a workforce around the province. In addition, a contingent of RCMP officers work under contract with the Alcohol and Gaming Authority to conduct security clearance and cheat at play investigations.

CORE FUNCTIONS

Registration and Licensing

Pursuant to the *Gaming Control Act*, the Nova Scotia Alcohol and Gaming Authority registers individuals and companies who supply goods and services to regulated gaming activities. During the

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[1] *Gaming Control Act*. 1994-95, c. 4, s. 42.

2000/2001 fiscal year, the Authority's registry consisted of 19 casino gaming related suppliers, 53 casino non-gaming related suppliers, and 2 bingo suppliers. In addition, 177 non-gaming related suppliers, whose goods and services did not exceed $100,000 for the year, were exempted from registration.

The Authority also conducts security checks on personnel related to the gaming industry, including all casino staff, employees of the Nova Scotia Gaming Corporation and the Alcohol and Gaming Authority. Different levels of security clearances are applied, depending on one's position in an organization or the type of service one provides (i.e., suppliers of actual gambling equipment are held to a higher degree of scrutiny than the suppliers of non-gaming related supplies such as restaurant equipment). In 2000/2001, the Authority conducted security checks on 1,088 casino employees.

The Alcohol and Gaming Authority issues gaming licenses to organizations that raise funds for charitable purposes, including bingos, ticket lotteries (prize value over $500), and carnival games of chance. In addition, permits are issued for ticket lotteries with a prize value of less than $500. Licenses are issued in accordance with the provisions of the applicable regulations, and policy as established by the Alcohol and Gaming Authority.

Gaming Registration Issuance			
	Halifax	Sydney	Total
Casino Registrations			
Gaming suppliers			19
Non-gaming suppliers - exemption			177
Non-gaming suppliers			53
Casino employees	839	249	1,088
Bingo Registrations			
Bingo supplier			2
TOTAL			1,339

Series bingo and ticket lottery licenses are issued to organizations wishing to carry on a series of regular events. Single licenses are issued for individual events. Games of chance events include commercial carnivals, fun-night Monte Carlo events, and games conducted during annual fairs and exhibitions.

Gaming License Issuance			
	Series	Single	Total
Bingo	518	141	659
Ticket lottery	461	543	1,004
Permits		5,132	5,132
Break-open		74	74
Games of chance/carnival		212	212
TOTAL	979	6,102	7,081

Investigation and Enforcement

The Investigation and Enforcement Division regularly inspects licensed premises to ensure that gaming activities comply with the applicable regulations. For example, video lottery play is checked for underage play and credit granting, and bingos are checked for such things as the proper use of bingo operating equipment. Furthermore, Division staff conduct inspections at the two casinos to ensure compliance with casino regulations and detailed internal control procedures. The Investigation and Enforcement Division has a staff complement located throughout the Province. In addition, under contract with the Authority, a complement of RCMP officers provide gaming supplier and employee security clearances, and conduct cheat at play investigations.

The Gaming Analyst Section of the Division conducts regular as well as random testing of casino slot machine software to insure each machine is compliant with the legislated minimum payout percentage, as well as other requirements. The Section also monitors payout percentages for video lottery terminals (VLTs) in licensed premises in the Province.

The Investigation and Enforcement Division is also responsible for reviewing and making recommendations with respect to all approval requests from the casino operator pertaining to:

- casino surveillance and security systems;
- permitted games of chance played in casinos;
- Rules of Play; and
- slot machine installations, modifications, removals and relocations.

Gaming Inspections, Complaints, & Investigations

	Inspections	Complaints	Investigations
Bingo	441	66	30
Casino	28,025*	3	55***
Lottery Tickets	29	0	
VLT	16,689**	1	8

* Includes 5,267 Technical Inspections and 3,280 ID Checks
** Includes 262 ID Checks
*** Includes 16 Voluntary Exclusion & 18 Technical Investigations

Communications and Research

The Alcohol and Gaming Authority is responsible for conducting research on the interest and reactions of the public towards gaming in Nova Scotia; and assessing the social, health, justice, economic, and environmental impacts of gaming in the Province. Since 1995/1996, the Alcohol and Gaming Authority has issued its *Annual Gaming Report*, representing an exhaustive compilation and synthesis of gaming related research conducted in the province.

YEAR IN REVIEW

Nova Scotia's gaming industry has matured significantly over the past five years, and continued to expand in 2000/2001 through innovations and improvements. The opening of the permanent casino in Halifax added considerably to gaming floor area, as well as the number and types of games offered. Bill acceptors were installed in new VLTs to enhance customer convenience, while responsible gaming features were added to the machines in order to discourage excessive play. The Atlantic Lottery Corporation (ALC) introduced new ticket lotteries, while an amended Unanimous Shareholder Agreement and a new agency agreement between ALC and the Nova Scotia Gaming Corporation realized more profits for Nova Scotia. Bingos continue to satisfy the gaming appetites in many rural areas, and bingo licensees are searching for ways of competing more effectively with other gaming activities.

Casinos

On April 24, 2000, the Halifax Casino Nova Scotia opened its doors to the public. This new, permanent facility boasts a 32,000 square foot gaming floor with 40 table games and over 700 slot machines. In addition to the gaming floor, the casino offers 10,000 square feet of meeting and special event space, a 170-seat entertainment lounge, a 100-seat outdoor amphitheatre, and three restaurants. The Halifax Casino employs nearly 550 workers, and purchases a large quantity of supplies and materials from local businesses.

A variety of new games of chance were offered with the opening of the permanent casino in Halifax, including Craps, Sic Bo, and Caribbean Draw Poker. These games, including the rules of play, were approved by the Alcohol and Gaming Authority.

The opening of the Halifax Casino also saw the introduction of slot machine tokens for all wager denominations. Previously, the interim casino had offered slot machines that would accept coin wagers of less than five dollars, but only tokens can be used in the new facility. Coin wagers are still accepted at the Sydney Casino for wagers of less than five dollars. Chips representing differing denominations are used for table game wagers at both casinos.

Casinos are continuously monitored by Alcohol and Gaming Authority staff to ensure compliance with casino regulations and detailed internal control procedures. In the past year, the Authority investigated Casino Nova Scotia for infractions such as the use of non-registered suppliers.

Video Lottery Terminals

In Nova Scotia, the *Video Lottery Terminals Moratorium Act*, proclaimed in 1998, capped the number of VLTs in the province at 3,234 (excluding VLTs operated under agreements with First Nations). In December 2000, the Nova Scotia Gaming Corporation announced the VLT Replacement Plan, that would replace existing VLTs with new machines. The new VLTs will be equipped with bill acceptors that will add to customer convenience, and will reduce money handling on part of the VLT retailer.

In addition, the new VLTs will host a variety of responsible gaming features designed to discourage excessive play of the machines. The features include ways to slow and interrupt play and provide reality checks to players. Specifically, the features include: a permanent clock, reminding players of the actual time; a pop-up reminder advising players how long they've been playing, which also asks if they want to continue; showing amounts wagered in dollars rather than credits; and a mandatory cash out whereby players will be forced to cash out after a prescribed time.

Bingo

Bingo participation and revenues have declined in recent years, partly due to competition from other gaming activities available throughout the province. During the past year, Authority licensing staff have continued their consultations with charitable bingo operators in an effort to improve their returns generated for charitable purposes. Authority staff have considered a number of options that may benefit bingo operators and enrich the proceeds to charitable causes. Among these options, the Authority has investigated the potential of certain amendments to the Bingo Regulations such as: changes to prize structure requirements, extending the licensing periods, and reducing the administrative reporting requirements for small charitable bingos.

Ticket Lotteries

In 2000-2001, the Province agreed to an amended Unanimous Shareholders Agreement and a new Agency Agreement with the Atlantic Lottery Corporation. The Nova Scotia Gaming Corporation has indicated that the new agreements will yield an additional $5-6 million annually to Nova Scotia.

The ALC introduced several new ticket lotteries during the past year. Among them was Wild 5, an exclusively Atlantic Canada game which offers a one in five chance of winning. Other new games introduced in the year included the Tall Ships Breakopen ticket to commemorate Tall Ships 2000, and the Set For Life lottery that offers a top prize of $1,000 a week for 25 years. The ALC has been innovative over its 25 year operations, and is likely to be more so in the coming years as it faces increased competition from other gaming activities.

In order to further strengthen its operations in 2000-2001, the

Atlantic Lottery Corporation invested in new technologies for ticket distribution. This initiative included the roll-out of Lottery Retail Terminals that produce on-line tickets such as Lotto 6/49, and validate all lottery tickets. As well, Multi-purpose Retail Terminals were installed for lower volume retailers, and enable selling and validating instant tickets.

Research

In March 2001, a team of Canadian researchers released the Canadian Problem Gambling Index (CPGI) as a new approach to assessing gambling behaviour that could lead to a better understanding of problem gambling. The CPGI, developed over a three year period by an Inter-Provincial Task Force on Problem Gambling, is intended to provide a more meaningful measure of problem gambling for use in general population surveys than existing instruments.

The CPGI uses 31 items to measure gambling activity, problem gambling behaviour, adverse consequence, and variables that are correlated with problem gambling (e.g., drug and alcohol abuse, health problems, family problems, etc.). Within the CPGI, a nine-item scale – the Problem Gambling Severity Index – is scored to differentiate non-problem, low and moderate risk, and problem gamblers. The CPGI may prove useful in understanding why some gamblers move from low-risk or no-risk activity toward more problematic behaviour, and may become instrumental in developing intervention and treatment programs.

The expansion of gaming activity in Canada has perpetuated concerns from governments, the gaming industry, community groups, researchers, and the media for reliable information on the social and economic impacts of gambling. As a result, the Canadian Centre for Substance Abuse (CCSA) co-hosted the first

international Symposium on the Social and Economic Impact of Gambling in September, 2000, in Whistler, British Columbia. The overall objective was to find ways to preserve the benefits of gambling while minimizing the harms associated with this activity.

Follow-up activities arising from the Whistler Symposium will focus on three priorities:

- Identifying and compiling the data sets needed to analyze the impact of gambling as a basis for cost-benefit studies.

- Reviewing the problem gambling literature to determine attribution fractions for a range of harms associated with gambling (e.g., what percentage of suicides can be attributed to gambling).

- Devising a process for continuing the work done at Whistler.

In Nova Scotia, research into the impacts of gaming has continued during the past fiscal year. In May 2000, a team of psychologists released a progress report on work undertaken at the Dalhousie Gambling Laboratory, which was founded in 1997. The Gambling Lab is a mock bar consisting of two VLTs with custom designed micro-chips that enable many of the games' parameters to be modified. Several studies have been conducted in the lab in order to further understand the factors associated with pathological gambling, and to suggest strategies for minimizing the negative impact of VLTs. For example, a study which slowed the speed of play of VLTs led to ratings of decreased enjoyment, decreased excitement, decreased tension-reduction, and increased ease of discontinuing play among pathological gamblers relative to non-pathological gamblers.

PROVINCIAL GAMING ACTIVITY

Overview

The Nova Scotia Alcohol and Gaming Authority is responsible for the regulation of legalized gaming in this Province. These gaming activities include video lottery terminals (VLTs), casinos, Atlantic Lottery Corporation (ALC) products, bingos and charitable ticket lotteries.

For the purpose of measuring the volume of gaming activities on a consistent basis, the Alcohol and Gaming Authority uses the "wager" as a base unit. This figure represents the amount of money actually wagered on each gaming activity before prizes are awarded, operating expenses are deducted, and other assorted expenditures are accounted for. The wager for each type of gaming activity is defined in the following manner:

- cash deposited when referring to VLTs;
- cash deposited into casino slot machines plus the chips purchased for table games when referring to casinos;
- cash paid for the purchase of bingo cards when referring to bingo; and
- cash paid for the purchase of tickets when referring to ticket lotteries.

Fiscal Year 2000/2001

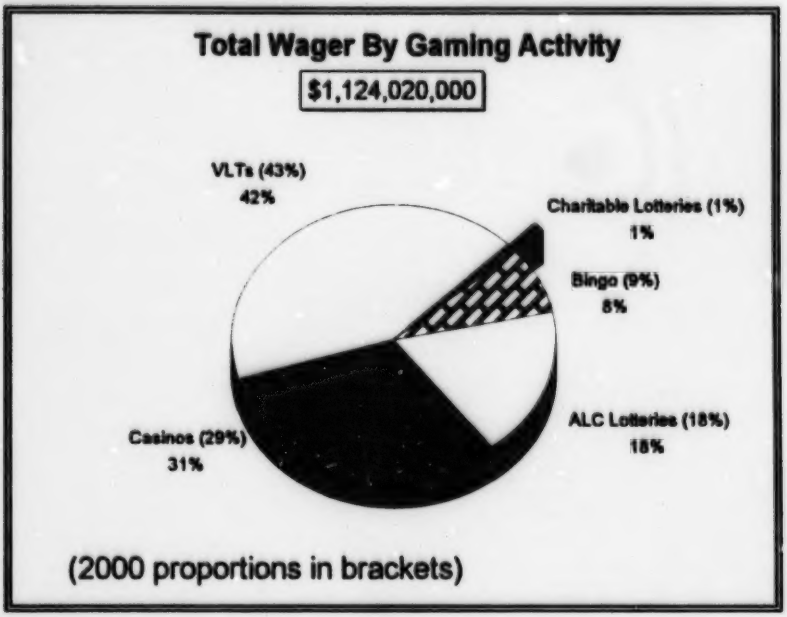
The fiscal year of 2000/2001 showed an increase in gaming in this Province, with a total wager for VLTs, casinos, ALC lotteries, bingos and charitable lotteries of $1.12 billion. This marked a 7.0 percent increase from the total wager of $1.05 billion in 1999/2000.

Total Wager By Gaming Activity
($ thousands)

	2001	2000	Change
VLTs	$475,681	$450,542	5.6%
Casinos	345,405	304,341	13.5%
ALC Lotteries	204,055	194,620	4.8%
Bingo	87,483	88,779	-1.5%
Charitable Lotteries	11,396	11,887	-4.1%
TOTALS	**$1,124,020**	**$1,050,169**	**7.0%**

Of the total wager, $750.4 million went to gaming participants in the form of prizes, an increase of 6.4 percent from the prize payout of $705.2 million in 1999/2000. Prizes in 2000/2001 represented 66.8 percent of the total wager, and this is a decrease from 67.1 percent in 1999/2000. Revenue to the Province was $179.7 million, representing 16.0 percent of the total wager, a 1.3 percent increase from $177.5 million in 1999/2000.

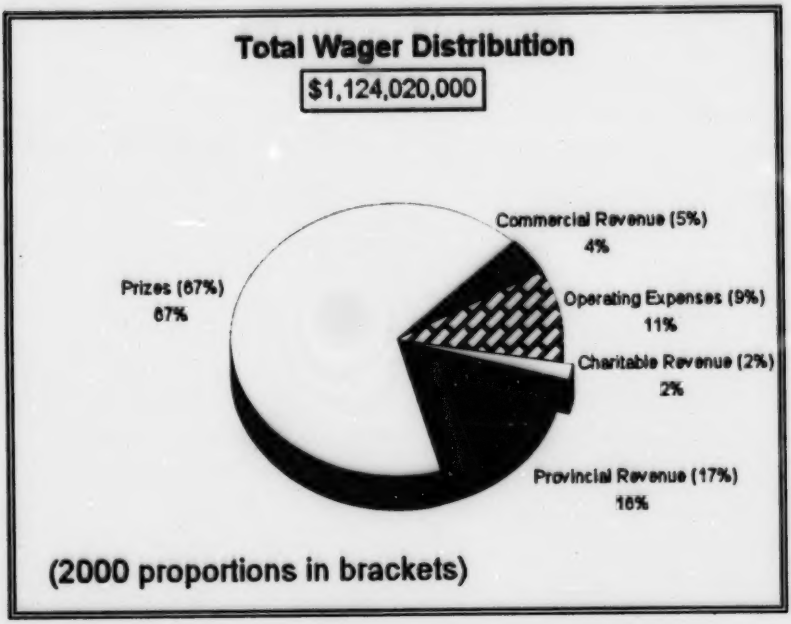
Operating expenses increased 31.9 percent from 1999/2000, for a total of $123.4 million, representing 11 percent of the total wager. The increase in operating expenses this year is primarily attributable to increased interest and amortization costs for the new Halifax Casino Nova Scotia, and increased costs for ALC ticket lotteries resulting from the introduction of new technologies.



Revenue received by charities from gaming activities in 2000/2001 was $24.1 million, a 4.1 percent increase from $23.2 million in 1999/2000. Revenue to commercial entities in 2000/2001 was $46.5 million, down 8.5 percent from $50.8 million in 1999/2000. The increase in charitable revenue, and the corresponding decrease in commercial revenue, is partly due to a reclassification of some VLT operators from commercial to charitable status.

Total Wager Distribution
($ thousands)

	2001	2000	Change
Operating Expenses	$123,372	$93,563	31.9%
Commercial Revenue	46,474	50,811	-8.5%
Charitable Revenue	24,112	23,166	4.1%
Provincial Revenue	179,698	177,456	1.3%
Prizes	750,364	705,173	6.4%
TOTALS	**$1,124,020**	**$1,050,169**	**7.0%**



Video Lottery Terminals

In 2000/2001, the VLT wager amounted to $475.7 million, a 5.6 percent increase from the VLT wager of $450.5 million in 1999/2000. The 2000/2001 VLT wager comprised 42.3 percent of the total Provincial wager for that fiscal year, and VLT gaming generated the largest wager amongst all forms of gaming in Nova Scotia.

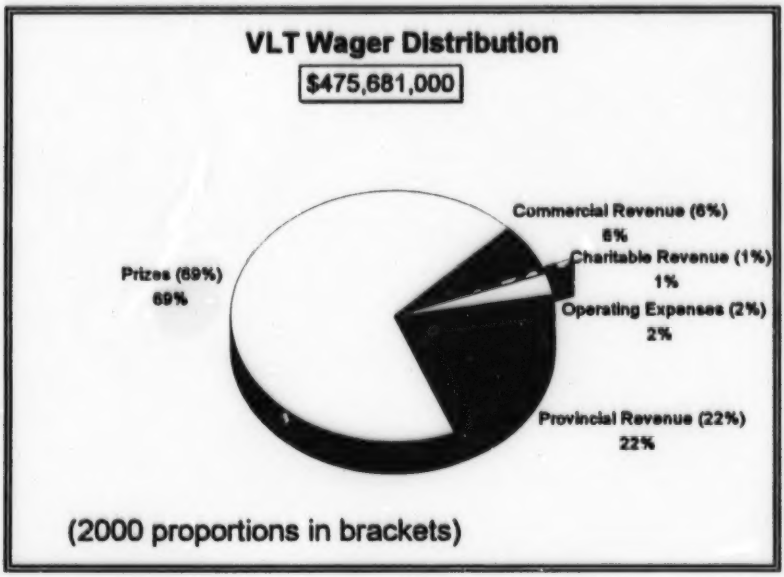
VLT prize payouts totaled $328.3 million in 2000/2001, an increase of 5.4 percent over the previous year and represented 69.0 percent of the total VLT wager.

VLT Wager Distribution
($ thousands)

	2001	2000	Change
Operating Expenses	$11,200	$10,970	2.1%
Commercial Revenue	25,840	25,487	1.4%
Charitable Revenue	5,667	4,246	33.5%
Provincial Revenue	104,663	98,419	6.3%
Prizes	328,311	311,420	5.4%
TOTALS	**$475,681**	**$450,542**	**5.6%**

During the fiscal year, a review of VLT operators was conducted and, as a result, a number of operators were reclassified from commercial to charitable. The number of VLTs located in charitable premises increased to 911 in 2000/2001 from 722 in 1999/2000. Conversely, the number of VLTs located in commercial premises decreased to 2,317 in 2000/2001 from 2,507. Revenue to charitable retailers was $5.7 million, a 33.5 percent increase from $4.2 million in 1999/2000. Revenue to commercial retailers was $25.8 million, up 1.4 percent from $25.5 million.

In 2000/2001, the Province received $104.7 million in revenue from VLTs. This figure marked an increase of 6.3 percent from 1999/2000, during which VLTs produced $98.4 million in revenue for Nova Scotia. At $104.7 million, the revenue to the Province from VLTs represented a 22.0 percent share of the total VLT wager. Operating expenses in 2000/2001 increased 2.1 percent from 1999/2000 to $11.2 million.



Casinos

In 2000/2001, $345.4 million was wagered at Nova Scotia's Halifax and Sydney casinos. This represents a 13.5 percent increase from 1999/2000, when $304.3 million was wagered. Casinos had the largest percentage growth among the 5 types of gaming in Nova Scotia and comprised 30.7 percent of the total wager in the Province.

In 2000/2001, increased interest and amortization charges related to the new Halifax casino had a significant effect on the profitability of the Halifax location. These charges are reflected in operating expenses, and impacted revenue to the Province and revenue to the casino operator.

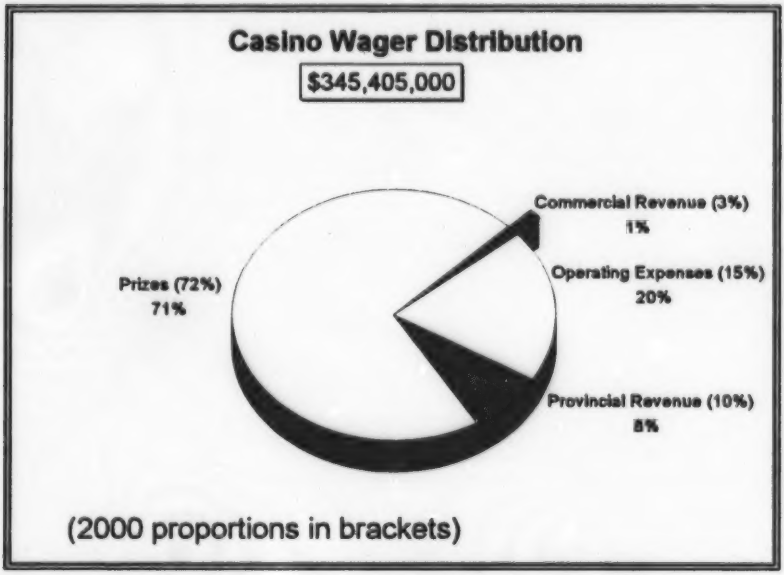
In 2000/2001 the casinos incurred $71.1 million in operating expenses, an increase of 55.9 percent from $45.6 million in 1999/2000. The 2000/2001 operating expenses represent 20.6 percent of the total casino wager for that year, compared to 15.0 percent in 1999/2000.

Casino Wager Distribution
($ thousands)

	2001	2000	Change
Operating Expenses	$71,145	$45,629	55.9%
Commercial Revenue	2,424	7,838	-69.1%
Provincial Revenue	26,642	30,684	-13.2%
Prizes	245,194	220,190	11.4%
TOTALS	**$345,405**	**$304,341**	**13.5%**

The casino operator realized $2.4 million in revenue in 2000/2001 marking a 69.1 percent decrease from $7.8 million in 1999/2000.

The Province's share of casino revenues in 2000/2001 amounted to $26.6 million, marking a 13.2 percent decrease from $30.7 million in 1999/2000. The $26.6 million figure represents 7.7 percent of the 2000/2001 casino wager, which is a decrease from the Province's 10.1 percent share of the total casino wager in 1999/2000.



The casinos paid out $245.2 million in prizes in 2000/2001, and this represents a 11.4 percent increase from the $220.2 million which was paid out as prizes 1999/2000. Prize pay-outs in 2000/2001 accounted for 71.0 percent of the total casino wager, marking a decrease from 72.3 percent in 1999/2000.

Casino Nova Scotia (2000/2001)		
	Halifax	**Sydney**
Wager ($ millions)	$241.0	$104.4
Revenue to Province ($ millions)	$14.7	$11.9
Gaming Floor Area (sq. ft)	32,000	15,000
Employees	784	243
Visitors	1,911,188	839,138
Slot Machines	700	378
Table Games	40	12

ALC Lotteries

In 2000/2001, $204.1 million was wagered on ALC lottery products. This figure represented 18.2 percent of the total Provincial wager and marked a 4.8 percent increase from the $194.6 million which was wagered on ALC lottery products in 1999/2000.

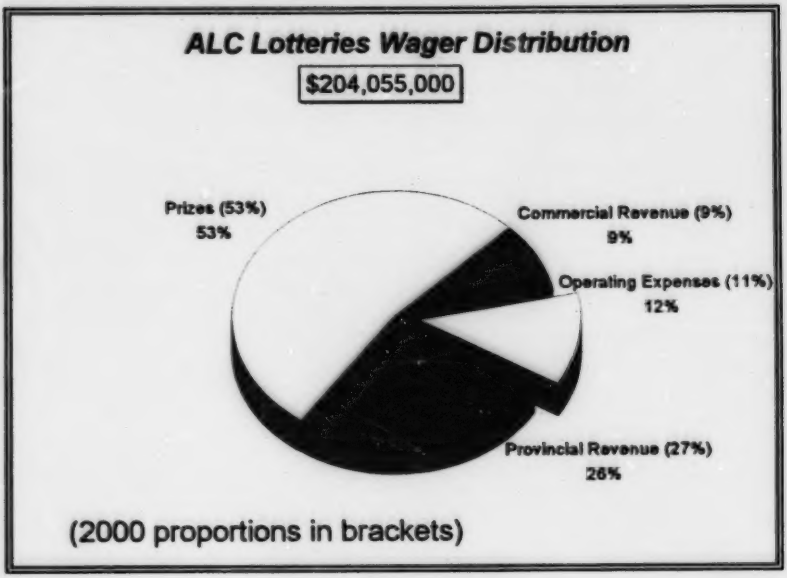
A total of $107.5 million was paid out in the form of prizes for ALC lotteries in 2000/2001, an increase of 3.7 percent from the $103.7 million which was paid out in prizes in 1999/2000. The $107.5 million prize payout represents 52.7 percent of the total ALC lotteries wager, and marks a decrease from the 53.3 percent figure which was realized in 1999/2000.

ALC Lotteries Wager Distribution
($ thousands)

	2001	2000	Change
Operating Expenses	$24,834	$20,840	19.2%
Commercial Revenue	17,870	17,064	4.7%
Charitable Revenue	45	28	60.7%
Provincial Revenue	53,778	53,022	1.4%
Prizes	107,528	103,666	3.7%
TOTALS	**$204,055**	**$194,620**	**4.8%**

Retailer revenue increased 4.7 percent, from $17.1 million in 1999/2000 to $17.9 million in 2000/2001. Revenue to the retailers represented 8.8 percent of the ALC wager for the 2000/2001 fiscal year. Revenue to charities which was generated from charitable breakopen tickets was $45 thousand in 2000/2001, a 60.7% increase from $28 thousand in 1999/2000.

ALC lotteries' operating expenses in Nova Scotia in 2000/2001 were $24.8 million, and this marked a 19.2 percent increase from the $20.8 million in1999/2000. The majority of this increase is attributable to the cost of new technologies introduced by ALC in 2000/2001.



In 2000/2001 the Province received $53.8 million in revenue from ALC ticket lotteries, an increase of 1.4 percent from the $53.0 in 1999/2000. There was also $6.9 million in ALC products expenses that were not charged directly to ALC lottery or VLT operations. These expenses were charged directly against revenues to the Province. Therefore, the calculation of revenue to the Province from ALC operations is: $53.8 million from ALC ticket lotteries, $104.7 million from VLTs, less $6.9 million in unallocated expenses for a net amount of $151.6 million.

Bingo

Bingo ranks as the second smallest component of Nova Scotia's gaming industry, with 7.8 percent of the total Provincial wager in 2000/2001. However, bingo ranks first overall as a means of generating funds for charitable purposes.

The bingo wager amounted to $87.5 million for the 2000/2001 fiscal year, a 1.5 percent decrease from the $88.8 million bingo wager in 1999/2000. Similarly, bingo attendance fell to 2.6 million players in 2000/2001, down 3.7 percent from 2.7 million in 1999/2000.

Total Bingo Wager Distribution
($ thousands)

	2001	2000	Change
Operating Expenses	$7,702	$7,991	-3.6%
Charitable Revenue	13,574	13,994	-3.0%
Commercial Revenue	340	422	-19.4%
Provincial Revenue	1,397	1,416	-1.3%
Prizes	64,469	64,956	-0.8%
TOTALS	**$87,482**	**$88,779**	**-1.5%**

Charitable Bingo

Charitable bingos continue to play a much needed role in fund raising throughout the Province. Charitable profits achieved through bingo operations is one way that organizations such as volunteer fire departments, churches, schools, minor league sports teams, legions or other community groups can raise funds on their own.

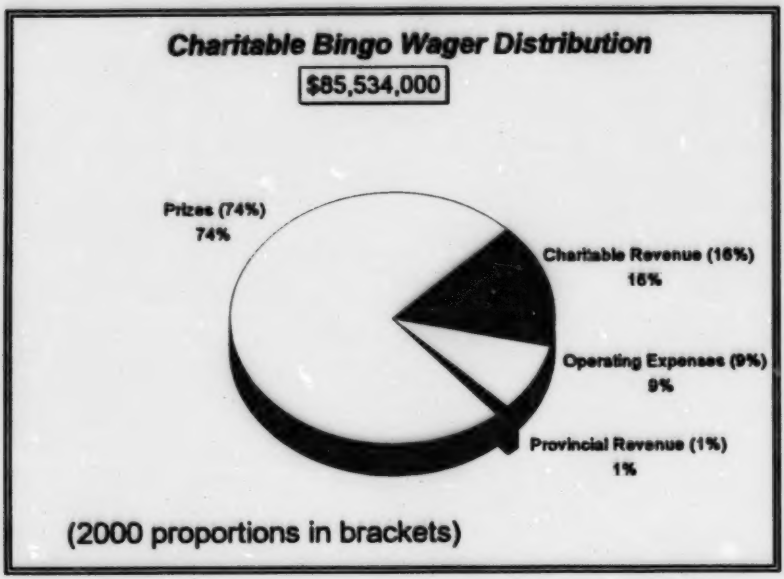
In the fiscal year 2000/2001, $85.5 million was wagered at charitable bingos. That marked a 1.3 percent decrease from the $86.7 million that was wagered in the 1999/2000 fiscal year. Charities retained $13.6 million in profits from the total bingo wager in 2000/2001, a decrease of 3 percent from $14 million in 1999/2000.

Charitable Bingo Wager Distribution
($ thousands)

	2001	2000	Change
Operating Expenses	$7,572	$7,918	-4.4%
Charitable Revenue	13,574	13,994	-3.0%
Provincial Revenue	1,263	1,270	-0.6%
Prizes	63,125	63,496	-0.6%
TOTALS	**$85,534**	**$86,678**	**-1.3%**

Of the charitable bingo wager, 73.8 percent was paid out in the form of prizes, a marginal increase from the 73.3 percent paid out in prizes in 1999/2000. The total value of bingo prizes awarded in 2000/2001 was $63.1 million.

In 2000/2001, bingo operating expenses represented $7.6 million of the total bingo wager, a decrease of 4.4 percent from $7.9 million in 1999/2000. Operating expenses accounted for 8.9 percent of the total bingo wager in 2000/2001 compared to 9.1 percent in1999/2000.



Bingo licenses issued by the Authority are one time events (bingo single licenses), or a recurring event (bingo series licenses). In the fiscal year 2000/2001, the Authority received financial reports for 36 bingo single licenses and 448 bingo series licenses. A total of 357 of all licensed bingo operations, or more than 74 percent of all bingos, reported total wagers of less than $200 thousand. This is an indication that the majority of bingos operating in the Province are smaller in nature.

By contrast, there are larger operations reporting total wagers of $300 thousand or more. This group represents 14.1 percent of bingo licensees, and generated more than 51 percent of the total charitable bingo wager. Though bingo operations are of varied sizes throughout the Province, they share the same goal of maximizing funds for charitable or religious purposes.

Charitable Bingo Licensees Grouped By Wager

Category	Licensees	%	Wager ($ thousands)	%
$0-50,000	137	28.3%	$1,784	2.1%
50,000-100,000	98	20.2%	7,243	8.5%
100,000-150,000	68	14.1%	8,414	9.8%
150,000-200,000	54	11.2%	9,459	11.1%
200,000-250,000	31	6.4%	6,866	8.0%
250,000-300,000	28	5.8%	7,602	8.9%
300,000-500,000	31	6.4%	12,546	14.7%
500,000-1,000,000	28	5.8%	17,876	20.9%
$1,000,000+	9	1.9%	13,744	16.1%
TOTALS	**484**	**100.0%**	**$85,534**	**100.0%**

One type of bingo operation that has shown increased popularity along with success is that of media bingo (TV or radio bingo). In the fiscal year 2000/2001 there were 35 media bingos in operation. Media bingos generated $5.3 million in wagers ($5.1million in 1999/2000), which resulted in revenues to their charitable or religious organizations of $1.9 million. This represents an average return of 35.2 percent (38.4 percent in 1999/2000), which is well above that of the traditional bingo.

The Alcohol and Gaming Authority continues to assist charitable bingos by striving to make reporting requirements simpler, and providing licensees with comparative performance statistics so that they may better gauge their own performance. As well, licensing staff of the Alcohol and Gaming Authority continues to meet with charitable bingo operators to provide assistance whenever possible.

Charitable Bingo Licensees Grouped By Net Profits					
		Licensees By Net Profit			Average
Category	Licensees	<0%	0-15%	>15%	Net Profit
$0-50,000	137	30	31	76	13.7%
50,000-100,000	98	5	51	42	15.9%
100,000-150,000	68	3	43	22	13.5%
150,000-200,000	54	1	28	25	15.4%
200,000-250,000	31	0	13	18	18.6%
250,000-300,000	28	2	11	15	16.8%
300,000-500,000	31	1	13	17	16.8%
500,000-1,000,000	28	0	15	13	14.6%
$1,000,000+	9	0	3	6	16.8%
TOTALS	**484**	**42**	**208**	**234**	**15.9%**

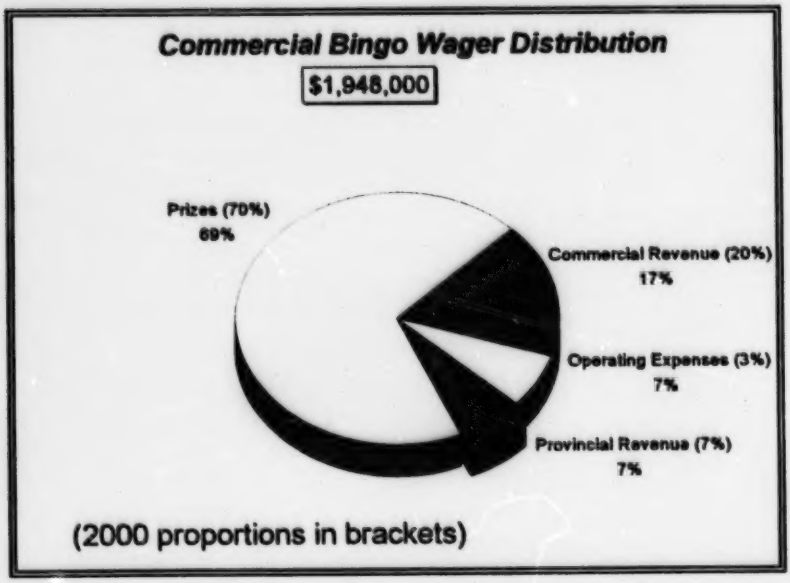
Commercial Bingo

When Nova Scotia introduced comprehensive Bingo Regulations in 1995, it included a rule that prohibited the granting of any new commercial bingo licenses. The regulations did allow existing or "grandfathered" commercial bingos to continue operations. There are three remaining commercial bingo operators in Nova Scotia.

In 2000/2001, $1.9 million was wagered at commercial bingos, representing 2.2 percent of the total bingo wager. Commercial bingo operators reported profits of $340,000 in 2000/20001, a 19.5 percent decrease from the $422,000 reported in 1999/2000. The decrease in profits to commercial operators is partly attributable to an increase in reported operating expenses. Operating expenses were $130,000, up 78.1 percent from the $73,000 reported in 1999/2000, reflecting more accurate reporting by commercial bingo licensees.

Commercial Bingo Wager Distribution
($ thousands)

	2001	2000	Change
Operating Expenses	$130	$73	78.1%
Commercial Revenue	340	422	-19.4%
Provincial Revenue	134	146	-8.2%
Prizes	1,344	1,460	-7.9%
TOTALS	**$1,948**	**$2,101**	**-7.3%**



Charitable Ticket Lotteries

In 2000/2001, the charitable ticket lotteries wager totaled $11.4 million, representing one percent of the total gaming wager and producing $4.8 million in charitable revenue.

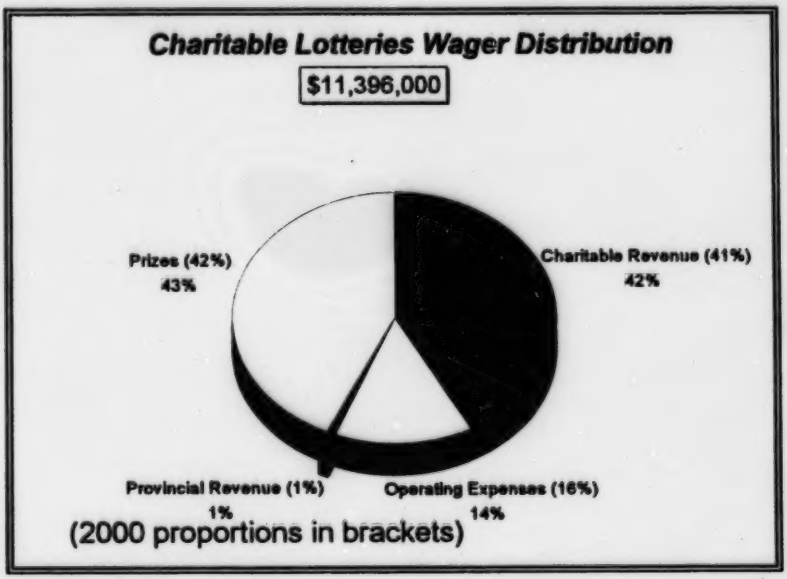
Operating expenses for charitable ticket lotteries totaled $1.6 million in 2000/2001, a 17.2 percent decrease from the $1.9 million reported in 1999/2000. Operating expenses for 2000/2001 amounted to 14.1 percent of the total charitable ticket lottery wager, compared to 16.4 percent in 1999/2000.

Charitable Lotteries Wager Distribution
($ thousands)

	2001	2000	Change
Operating Expenses	$1,611	$1,945	-17.2%
Charitable Revenue	4,826	4,898	-1.5%
Provincial Revenue	97	103	-5.8%
Prizes	4,862	4,941	-1.6%
TOTALS	**$11,396**	**$11,887**	**-5.0%**

Revenue to the Province from charitable lotteries totaled $97,000 in 2000/2001, a 5.8 percent decrease from $103,000 in 1999/2000. The Province's share as a percentage of the total wager remained at 0.9 percent.

Prizes awarded in charitable ticket lotteries totaled 4.8 million (42.7 percent of the total wager), a decrease of 1.6 percent from 1999/2000 in which the prize amount was $4.9 million (41.6 percent of the total wager.



In the 2000/2001 fiscal year, the Authority received financial reports for 663 charitable ticket lottery licenses. The majority of ticket lottery schemes in the Province were smaller when ranked by ticket sales. Of the 663 charitable ticket lotteries, 622 (93.8 percent) reported ticket sales of $50 thousand, or less.

Conversely, though fewer in number, there were larger ticket lottery schemes in the Province that have proven very successful. There were eight ticket lottery operations that generated sales of over $300 thousand to produce total ticket sales of $4.2 million. These eight ticket lottery operations generated, in total, $1.7 million for their charities

Charitable lotteries remain the most efficient way to raise charitable funds. Of every dollar wagered in charitable lotteries during the 2000/2001 year, 42.3 cents were available for charitable

purposes upon the lotteries' completion. This figure represents an increase from 41.2 cents in 1999/2000.

Charitable Lotteries Licensees Grouped By Wager

Category	Licensees	%	Wager ($ thousands)	%
$0-50,000	622	93.8%	$4,275	37.5%
50,000-100,000	26	3.9%	1,804	15.8%
100,000-150,000	4	0.6%	469	4.1%
150,000-200,000	2	0.3%	371	3.3%
200,000-250,000	1	0.2%	234	2.1%
250,000-300,000	0	0.0%	0	0.0%
300,000-500,000	6	0.9%	2,537	22.3%
500,000-1,000,000	2	0.3%	1,706	15.0%
$1,000,000+	0	0.0%	0	0.0%
TOTALS	**663**	**100.0%**	**$11,396**	**100.0%**

CANADIAN JURISDICTIONAL GAMING COMPARISON

Province	Agencies Involved	Charitable Casinos	Commercial Casinos	VLTs
NF	**Government Services & Lands, Trades Practices & Licensing Division** Atlantic Lottery Corporation			✔
PE	**PEI Lotteries Commission** **Office of the Attorney General for Charitable Gaming** Atlantic Lottery Corporation			✔
NS	**Nova Scotia Alcohol and Gaming Authority** Nova Scotia Gaming Corporation Atlantic Lottery Corporation		2	✔
NB	**New Brunswick Department of Public Safety** Lotteries Commission of New Brunswick Atlantic Lottery Corporation NB Coin Machine Operators Association			✔
QC	**Régie des alcools, des courses et des jeux** Société des loteries du Québec		3	✔
ON	**Alcohol and Gaming Commission of Ontario** Ontario Lottery and Gaming Corporation Ontario Racing Commission	4	3	
MB	**Manitoba Gaming Control Commission** Manitoba Lotteries Corporation Western Canada Lottery Corporation		2	✔

Province	Agencies Involved	Charitable Casinos	Commercial Casinos	VLTs
SK	**Saskatchewan Liquor and Gaming Authority** Saskatchewan Gaming Corporation Western Canada Lottery Corporation	2	5*	✔
AB	Ministry of Gaming **Alberta Gaming and Liquor Commission** Department of Gaming Alberta Gaming Research Council Community Lottery Program Secretariat Alberta Racing Corporation Western Canada Lottery Corporation	16		✔
BC	**British Columbia Gaming Policy and Enforcement Branch** British Columbia Lottery Corporation	16	2	
NT	**Consumer Services, Community Operations**			
YT	**Consumer Services, Department of Justice**	1		

* Includes 4 First Nations casinos.

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